



General Assembly

January Session, 2013

Committee Bill No. 5533

LCO No. 4474



Referred to Committee on LABOR AND PUBLIC EMPLOYEES

Introduced by:
(LAB)

***AN ACT CONCERNING THE MUNICIPAL EMPLOYEE RETIREMENT
SYSTEM CONTRIBUTION RATE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-440 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 (a) Each member shall contribute to the fund:

4 (1) (A) Prior to January 1, 2013, five per cent, (B) on and after
5 January 1, 2013, six per cent, and (C) on and after January 1, 2015,
6 seven and three-quarters per cent of his or her pay as to that portion of
7 pay with respect to which contributions are not to be deducted under
8 section 7-453; and

9 (2) (A) Prior to January 1, 2013, two and one-quarter per cent, (B) on
10 and after January 1, 2013, three and one-quarter per cent, (C) on and
11 after January 1, 2014, four and one-quarter per cent, and (D) on and
12 after January 1, 2015, five per cent as to that portion of pay with
13 respect to which contributions are to be so deducted, to be deducted
14 from such pay by the municipality and forwarded not less frequently

15 than once a month to the Retirement Commission to be credited to the
16 fund.

17 (3) In the case of [members] a member serving with the armed
18 forces of the United States in time of war, hostilities or national
19 emergency or any acts incident thereto, as provided in section 7-434,
20 the municipality shall forward to the Retirement Commission the
21 contribution required for such member under subdivisions (1) and (2)
22 of this subsection to be credited to the fund [a like contribution] on
23 behalf of such member based upon his or her pay at the time of
24 entering such service.

25 (b) (1) Any member leaving the employment of the municipality
26 before becoming eligible for retirement may withdraw on request to
27 the Retirement Commission the total of all contributions made by him
28 or her, including contributions made to another system and
29 transferred to the Municipal Employees' Retirement Fund under the
30 provisions of section 7-442b, less any retroactive contributions payable
31 by such member under section 7-453 to the Old Age and Survivors
32 Insurance System which have been paid from the fund under the
33 provisions of section 7-451, provided, if no request is made within [ten]
34 five years, such contributions shall revert to the fund. The withdrawal
35 of contributions shall include interest credited from July 1, 1983, or the
36 first of the fiscal year following the date of actual contribution,
37 whichever is later, to the first of the fiscal year coincident with or
38 preceding the date the employee leaves municipal service. Such
39 interest shall be credited at the rate of five per cent per year. In
40 addition, for the partial year during which the employee leaves
41 municipal service or withdraws his or her contributions, whichever is
42 later, interest shall be credited at the rate of five-twelfths of one per
43 cent multiplied by the full number of months completed during that
44 year, such interest rate to be applied to the value of contributions
45 including any prior interest credits as of the first day of that year.

46 (2) Any employee who withdraws his or her contributions from the

47 fund and is subsequently reinstated shall not receive credit for service
48 for such prior employment in the computation of his eventual
49 retirement allowance unless the withdrawn contributions plus interest,
50 if any, have been repaid with additional interest at a rate to be
51 determined by the commission.

52 (3) Any municipality which has made contributions on behalf of any
53 member serving in the armed forces who is not reemployed by the
54 municipality within six months following the termination of such
55 service, unless this period is further extended by reason of disability
56 incurred in such service, shall be entitled to receive from the fund on
57 application to the Retirement Commission the amount of [such] his or
58 her contributions. Any municipality which has made contributions in
59 accordance with subsection (b) of section 7-436b on behalf of any
60 member who leaves the employment of the municipality and
61 withdraws from the municipal employees' retirement system before
62 becoming eligible for retirement shall be entitled to receive from the
63 fund on application to the Retirement Commission the amount of such
64 contributions.

65 (4) In case of the death of a member before retirement, who has not
66 elected a retirement income option in accordance with the provisions
67 of this part or who has made such election but has not completed the
68 age and service requirements that would permit him or her to retire on
69 his or her own application, or after retirement without having made
70 such election, or in case of the death of the survivor of a member who
71 has made such election and his or her spouse after a retirement
72 allowance has become payable, his or her contributions to the fund
73 plus such five per cent interest, if any, less any retirement allowance
74 paid to him or her or his or her spouse, and less any retroactive
75 contributions paid by such member to the Old Age and Survivors
76 Insurance System which have been paid from the fund under the
77 provisions of section 7-451, shall be paid from the fund on the order of
78 the Retirement Commission to the beneficiary or beneficiaries, if any,
79 named by such member. If no named beneficiaries survive the

80 member, or the survivor of the member and his or her spouse,
81 payment shall be made to the executors or administrators of such
82 member or his or her spouse, as the case may be, except that, if the
83 amount is less than five hundred dollars, the refund may be made, at
84 the option of the Retirement Commission, in accordance with the
85 terms of section 45a-273.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2013	7-440

Statement of Purpose:

To increase the contribution rate for members of the municipal employee retirement system.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. SHABAN, 135th Dist.

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